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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

In re

Case No. 8:23-bk-10571-SC

THE LITIGATION PRACTICE GROUP, P.C.,

Chapter 11

Debtor.

**DECLARATION OF RANDALL BALDWIN
CLARK [CORRECTLY SIGNED] IN
SUPPORT OF MOTION FOR MOTION FOR
ALLOWANCE AND PAYMENT OF POST-
PETITION ADMINISTRATIVE FEES FILED
AS DOCKET NO. 717**

Date: January 19, 2024
Time: 11:00 a.m.
Ctrm: 5C/Via ZoomGov
411 W. Fourth St.
Santa Ana, CA 92701

TO THE HONORABLE JUDGE SCOTT C. CLARKSON. THE UNITED STATES
TRUSTEE, AND ALL INTERESTED PARTIES:

Attached is a correction in place of the Declaration of the Movant's principal, Randall Baldwin Clark, in Support of the Motion for Allowance and Payment of Post-Petition Administrative Fees as corrected filing Docket No. 717 ("the Declaration"). The Declaration is the Correctly signed Declaration of Mr. Clark. The only difference is the signature page. The Exhibits are attached to Docket No. 717 and not refiled.

Dated: December 4, 2023

Totaro & Shanahan

By /s/ Maureen J. Shanahan
Maureen J. Shanahan
Attorney for Movant

DECLARATION OF RANDALL BALDWIN CLARK

I, Randall Baldwin Clark, declare:

3 1. I am an attorney licensed to practice law in the State of New Hampshire and the
4 Commonwealth of Massachusetts, including the bankruptcy courts for both states. I am the sole
5 member of Randall Baldwin Clark, Attorney at Law, PLLC, a New Hampshire law firm (“the
6 Clark Firm”). Except as to matters based on my review of portions of the Court Docket and some
7 filings in this case, my statements herein are based on my personal knowledge of such facts, and
8 as such I am competent to testify thereto.

9 2. The Clark Firm's business and practice focuses on debt collections defense,
10 negotiations and resolutions, consumer bankruptcy in Chapter 7 and Chapter 13 cases, foreclosure
11 defense and landlord tenant matters.

12 3. In early 2020, a representative of The Litigation Practice Group, PC (“LPG” or “the
13 Debtor”) approached me as to whether the Clark Firm might be interested in providing debt
14 consultation, creditor negotiations, and legal services to the Debtor’s consumer clients in New
15 England.

16 4. I expressed interest and after further negotiations, on April 20, 2020, as sole
17 member of the Clark Firm I signed an agreement for the Clark Firm as a Contractor to provide
18 services for LPG clients with LPG (“the Contract”). A true and correct copy of the Contract is
19 attached hereto as Exhibit 1 and incorporated herein by reference.

20 5. Under the Contract LPG would send the Clark Firm assignments for their clients in
21 New Hampshire and Massachusetts for debt resolution, negotiations, foreclosure defense and
22 possible consumer bankruptcy cases. The Clark Firm would provide related services as local
23 counsel for the mutual clients and invoice LPG for fees monthly. The agreed hourly rate for my
24 services was \$225.00 and for my assistants \$75.00. LPG would also reimburse for all expenses
25 for our clients' matters.

26 6. The Contract provided substantial benefit to the Clark Firm, and I believe the
27 mutual clients and LPG as well. The Clark Firm added over 500 clients based on the Contract.

1 Since signing the Contract, the Debtor regularly sent the Clark Firm many clients and assignments
2 for work.

3 7. Initially LPG paid our invoices fairly promptly and we had a good line of
4 communication.

5 8. Approximately six weeks before March 20, 2023, LPG stopped paying the Clark
6 Firm invoices and stopped all communication. Our normal means of communication was by email,
7 however I did not receive any replies, responses, answers or further communication with anyone
8 at LPG.

9 9. I was a bit perplexed especially when my access to LPG's Debt Pro Pay database
10 was denied.

11 10. I later learned that LPG filed a Chapter 11 bankruptcy case on March 20, 2023, but
12 was not aware of this until almost a month after the filing. I did not receive any notice of the filing
13 and when I ultimately learned of this, I noticed that the Clark Firm was not listed as a creditor in
14 the case, even though the firm had a significant number of substantial unpaid invoices.

15 11. About a month prior to the LPG's undisclosed bankruptcy filing, I was advised that
16 LPG transferred at least some of its' client accounts to other entities. This included The Phoenix
17 Law Group ("Phoenix"), Oakstone Law Group ("Oakstone") and Greyson Law.

18 12. These three entities contacted me to continue to represent our existing clients with
19 LPG but to assign new matters for these clients.

20 13. Our clients seemed to be as confused and puzzled as I was about what was
21 happening.

22 14. I had no further contact with LPG. They did not terminate our Contract.
23 Communication just stopped.

24 15. Given the lack of communication with LPG and the representations from these
25 firms they had received the cases from LPG, the Clark Firm continued to assist the clients,
26 particularly since all the assignments were for clients our firm was currently servicing for the
27 Debtor.

1 16. It was my belief that no matter the situation, these were our clients, and I did not
2 want to hamper client services and care. I believed that we had a duty and ethical obligation to
3 maintain continuity of client care. This was important for everyone involved. There were matters
4 that clients needed to have handled in a timely manner and therefore the Clark Firm continued to
5 represent the clients.

6 17. I did not have a lot of communication with Oakstone and Greyson, and when I
7 submitted invoices, they were not paid, and no response was given. LPG was generally prompt in
8 paying invoices, however that was until all communication ceased, which I now understand was
9 likely due to filing this bankruptcy case.

10 18. The representative at Phoenix was more helpful and advised that LPG transferred
11 most of its clients, he mentioned about 40,000 clients to Phoenix, and we discussed continuing to
12 service our clients. I believe we began discussion of a new agreement with Phoenix. Initially no
13 mention of bankruptcy was made, but this may have been before the case was filed.

14 19. The Clark Firm continued to service the Clients from Phoenix and the other firms
15 as we did for LPG. I learned about the bankruptcy filing sometime in June but had not received
16 any notices for the case before this. I believe a client may have mentioned bankruptcy.

17 20. I was able to obtain information about the filing, and I filed a Request for Courtesy
18 Notification of Electronic Filing (“NEF”) in this case on June 16, 2023. This was Docket No. 118.
19 After this I received access to all the filings and there were many lengthy filings. I did my best to
20 keep up but client care had to be the Clark Firm’s priority.

21 21. I did notice that the Clark Firm was still not listed as a Creditor and had not been
22 contacted by anyone directly about the case. I was busy keeping up with the work of the Clark
23 Firm but did monitor the case somewhat through the Notices of Electronic Filing (“NEF”) on this
24 case.

25 22. When I went to send invoices to Phoenix, I was told by their representative they
26 were negotiating with the Trustee to get paid on the cases transferred by LPG.

27 23. At another time, a Phoenix representative advised me the trustee was going to sell
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1 LPG's business and its contracts and clients were assets in the sale. I was told any invoices would
2 need to be directed later to the court or the trustee, in a manner and time not yet known. So, I
3 waited for some type of notice but continued to provide services needed by the clients.

4 24. In monitoring the case I learned the trustee had filed an adversary against Phoenix
5 and the other firms I had dealt with based on fraudulent transfer or preferential transfers. I was not
6 noticed on the adversary and did not actually know much about that case but there was a mention
7 on the docket of a settlement between the trustee and Phoenix so the contracts transferred to
8 Phoenix would be part of the assets of the Debtor and be sold as assets of the estate. I believed
9 this would include the Clark Firm Contract and clients.

10 25. I also knew the Trustee had filed a Motion to Sell the assets and there would likely
11 be funds to pay the Clark Firm's pre-petition claims and post-petition administrative claims.

12 26. I am not certain of the actual time frame, whether it was after the sale had closed or
13 before this, but I was contacted by a representative of the Morning Law Firm (the "Morning Firm")
14 about a similar contract to the one with LPG. Ultimately, we agreed, and I signed a contract on
15 behalf of the Clark Firm with the Morning Firm and have been representing clients under that
16 agreement.

17 27. I believe Phoenix was either sold to the Morning Firm or dissolved and most of its
18 employees are working with the Morning Firm.

19 28. In monitoring the court docket, I learned that relevant parties, specifically, the
20 Chapter 11 Trustee, the Debtor, the United States Trustee, and the Creditor's Committee had
21 negotiated a Stipulation to provide an Administrative Bar Date for payment of post-petition
22 administrative claims such as those held by the Clark Firm. Docket No. 575.

23 29. The same day, the Court approved the Stipulation and entered an order setting the
24 deadline for filing "Non-Professional Administrative Claims Bar Date" as November 21, 2023.
25 Docket No. 577.

26 30. I learned that attorneys such as the Clark Firm, under employment contracts with
27 the Debtor could request payment for post-petition administrative claims arising at any time from
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1 the March 20, 2023, the petition date, through and including August 4, 2023, the closing date of
2 the sale of the Debtors' business to the Morning Law Firm.

3 31. It is the custom and practice of the Clark Firm to maintain regular time records for
4 billing as to each client. We also prepare and send regular invoices to clients or in the case of the
5 mutual clients of the Debtor, Phoenix, or other entities to those entities as to each client where
6 services were rendered.

7 32. In accordance with the information I obtained in reviewing the Stipulation and the
8 sample notice required to be served, I diligently went through the Clark Firm time records, files,
9 and invoices with extreme care. I determined that the services the Clark Firm performed at the
10 rates it had contracted with the Debtor, of \$225.00/hour for his services and \$75.00/hour for my
11 assistants' services for the two post-petition periods set out in the Notice.

12 33. First, for the period from March 20 through May 8, 2023 (inclusive) the total billing
13 by the Clark Firm for mutual clients with the Debtor totaled \$20,465.43. For the second period
14 from May 9 through August 4, 2023 (inclusive), the Clark Firm fees totaled \$25,275.83.

15 34. The total post-petition claim of the Clark Firm for services to the mutual clients by
16 the Clark Firm as employee of the Debtor is \$45,741.26.

17 35. The Clark Firm is not submitting a claim for any post-petition expenses during
18 either of these time periods.

19 36. In my review of the billing, I can attest the services rendered for the clients were
20 reasonable and necessary and the fees likewise were reasonable based on the normal rates of other
21 attorneys in the area with similar practices. The services performed for the clients were like the
22 services I have regularly provided for mutual clients with the Debtor.

23 37. I have not provided any personal client identifying information on the billing list.

24 38. Attached hereto as Exhibit 2 is a 5-page chart of the 204 mutual clients and the
25 amounts of the unpaid billing for post-petition fees owed to the Clark Firm for each mutual client
26 during the two post-petition periods.

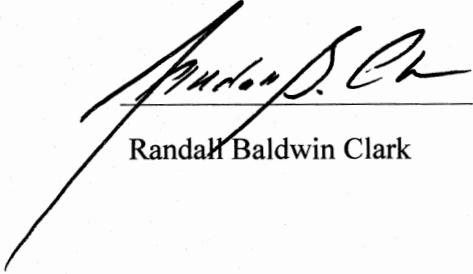
27 39. The Chart contains 5 columns. The first column contains a particular client,
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1 identified using the Client ID number given by the Debtor. The second and third columns contain
2 the first and last initials of the client. This enables the client to be identified for payment but ensures
3 privacy for these clients.

4 40.. Exhibit 2 has two additional columns. The fourth column is for the total amount of
5 fees incurred by the Clark Firm for services performed for each client during the period from
6 March 20, 2023, to May 8, 2023. The fifth column includes the total amount of fees incurred by
7 the Clark Firm for services performed for each client from May 9, 2023, through August 4, 2023,
8 this accounts for the total sum of the fees incurred by the Clark Firm for the post-petition period
9 for this Administrative Claim.

10 41. The Clark Firm's administrative claim arises for post-petition services performed
11 for 204 mutual clients of the Debtor that directly and substantially benefitted the Debtor's estate.
12 Although contractually entitled to payment for its services, the Clark Firm has not received any
13 compensation for this period and the significant benefit the services provided for the Debtor which
14 I believe enhanced the value of the estate's assets and the purchase price obtained form the sale.

15 I declare under penalty of perjury under the laws of the United States that the foregoing is
16 true and correct. Executed on November 21, 2023, at Hollis, New Hampshire.

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19 Randall Baldwin Clark
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1 PROOF OF SERVICE OF DOCUMENT

2 I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business
3 address is:

4 P.O. Box 789, Pacific Palisades, CA 90272

5 A true and correct copy of the foregoing document entitled (*specify*): "DECLARATION OF RANDALL
6 BALDWIN CLARK [CORRECTLY SIGNED] IN SUPPORT OF MOTION FOR MOTION FOR ALLOWANCE AND
7 PAYMENT OF POST- PETITION ADMINISTRATIVE FEES FILED AS DOCKET NO. 717" will be served or was
served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the
manner stated below:

8 **1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to
controlling General Orders and LBR, the foregoing document will be served by the court via NEF and
hyperlink to the document. On (*date*) December 5, 2023, I checked the CM/ECF docket for this
bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic
Mail Notice List to receive NEF transmission at the email addresses stated below:

9 Service information continued on attached page

10 **2. SERVED BY UNITED STATES MAIL:**

11 On (*date*) December 4, 2023, I served the following persons and/or entities at the last known addresses
12 in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed
13 envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the
14 judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours
after the document is filed.

15 Service information continued on attached page

16 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL**

17 (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on
18 (*date*) _____, I served the following persons and/or entities by personal delivery, overnight
mail service, or (for those who consented in writing to such service method), by facsimile transmission
19 and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or
overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

20 Service information continued on attached page

21 I declare under penalty of perjury under the laws of the United States that the foregoing is true and
22 correct.

23
24 12/4/2023
25 Date

Maureen J. Shanahan
26 Printed Name

27 /s/ Maureen J. Shanahan
28 Signature

1 By nef

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